and if so, what are their views about the supply of power to the Railways directly by the National Thermal Power Corporation?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Information is being collected will be laid on the Table of the House.

(b) and (c) The Government of India have permitted Central Public Sector Undertakings including the National Thermal Power Corporation (NTPC) to supply power directly to the Railways through the Railways own transmission lines. However, the Railways were advised to settle the matter mutually with the concerned State Electricity Board (SEB), as the Railways might be requiring back up support from SEB network even where direct power supply is available from central public sector undertakings.

Proposal of ICMC Power Consortium

1054. SHRI S. MADHAVAN: Will the Minister of POWER be pleased to state:

(a) whether the U.S. based ICMC Power Consortium has proposed to invest in infrastructure projects in India; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes Sir.

(b) M/s. International Contracting and Marketing Corporation (ICMC). USA presently has proposed to set up a 1000 MW Thermal Power Station at Cuddalore in Tamil Nadu.

Loans to SEBs by Power Finance Corporation (PFC)

1055. SHRI KRISHNA KUMAR BIRLA: Will the Minister of POWER be pleased to state:

(a) whether the Power Finance Corporation has sanctioned new loans for power projects of various SEBs;

(b) if so, the terms and conditions of the loan agreement;

(c) the SEBs to which loans have been granted; and

(d) to what extent the viability of SEBs is likely to be improved?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes, Sir.

(b) The general conditions or eligibility of PFC's loans are enclosed at Statement. (*See* below)

(c) During 1994-95 (upto June, 1994) PFC has sanctioned loans to Andhra Pradesh State Electricity Board, Karnataka Electricity Board, Orissa State Electricity Board, Rajasthan State Electricity Board and Tamil Nadu Electricity Board.

(d) Eligibility criteria for availing loans from PFC include signing of an Operational and Financial Action Plan (OFAP) which commits the concerned SEBs to register overall improvement in their financial performance. The loan assistance being given by PFC mainly fall in the priority areas such as Renovation & Modernisation of old plants, capacitor installation, urban distribution, system improvement etc. which when implemented would improve the viability of SEBs considerably.

Statement

General Conditions for eligibility of Power Finance Corporation's Loan

Following are the main eligibility criteria to be fulfilled by the borrower for getting PFC's loan assistance:-

1.* In the case of SEB, it should have generally achieved at least 3 per cent Rate of Return on the net fixed assets employed.

2. For consideration of eligibility to get loan from 1993-94 and onward,

it will be necessary that the subsidy, if any, payable to SEB upto the immediately preceding financial year has been fully paid by the State Government and the State Government/SEB has furnished to the satisfaction of PFC necessary schedule of payment of subsidy for the Financial Year in which proposal of sanction of new loan is to be considered.

3. The SEB should have signed an Operational and Financial Action Plan (OFAP) to the satisfaction of PFC, through which it takes a set of time-bound actions to improve its working.

4. The SEB should have submitted the Provisional Annual accounts within one year from the close of the Financeial Year (FY) and the audited Accounts within two years of the close of the Financial year.

(5) There should have been adequate "exposure limit" fixed by PFC for sanction of the loan and for lending to the SEB.

6. In case of loans previously sanctioned by PFC to the borrower, there should not be any default in repayment of principal and payment of interest due to PFC at any time.

In dddition to the above, in appraisal of a project for PFC loan, the concerned project should meet the following criteria;-

(a) is economically justified, with a rate of return of not less thta 12 per cent,

(b) is technically sound,

(c) technical solutions proposed must be "least cost",

(d) is compatible with existing expansion plans,

(t) solutions proposed should meet GOI or State Government' enviro mental and impact standards, whtchever are more stringent and

(f) the project should have all clearances required by the State and federal agencics.

Not Special relaxation has been given in regard to condition at (1) above by PFC as under;-

"The SEB should have achieved at least 2 per cen. Rate of Return on the net fixed assets employed during the Financial Year 1991-92 and is agreeable to commit in writing through "Plan or Action" to the satisfaction of PFC to improve its financial performance to the extent specified for each year (the year being 1992-93, 1993-94, 1994-95 and 1995-96) under the plan so as to assure increasing trend in Rate of Return, and ensure that 3 per cent of Return is achieved with the above period and, in any case, not beyond 1995-96".

Indo-US Coorporation iu the Power Sector

1056. SHRI G. Y. KRISHNAN:
SHRI RAMDAS AGARWAL:
SHRI SURESH PACHOURI:
SHRI CHATURANAN MISHRA:
SHRI GURDAS DAS GUPTA:

Will the Minister of POWER be pleased to state:

(a) the outcome of the discussions held by Government with the US Energy Secretary Hazal O' Leary in the matter of Indo-US Technical Co-operation in Energy Related areas during the last month;

(b) the nature of various pacts concluded with the United States including a broad memorandum of understanding on bilateral energy consultation, for cooperation in the power sector;

(c) whether Government have since announced its first counter-guarantee for the US financed power project; and

(d) if so, its salient features and it not, the state at which the matter stands at present?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU); (a) and (b) Wide ranging discussions to promote cooperation in the energy sector were held during the recent visit to India of the US.